



North Carolina Department of Health and Human Services
Division of Medical Assistance

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Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

L. Allen Dobson, Jr., M.D., Assistant Secretary
for Health Policy and Medical Assistance

September 22, 2005

MEMORANDUM

TO: Direct Enrolled Mental Health Residential Treatment Providers

FROM: Pat Jeter, Chief of Rate Setting

SUBJECT: 2006 Mental Health Residential Treatment Cost Report

The Division of Medical Assistance (DMA) requests cost data from the **directly enrolled** Mental Health Residential Treatment providers in accordance with Paragraphs 7 and 8 of the Medicaid Participation Agreement:

According to the Medicaid Participation Agreement signed by your agency, the Division of Medical Assistance can require providers "to disclose fully the extent of services provided and billed to the Medicaid Program..." (A.5.) and "on request, furnish to the Division of Medical Assistance and its agents, the Centers for Medicare and Medicaid (CMS), or the State Medicaid Fraud Control Unit of the Attorney General's Office, any information or records, including records of any outside entities, contractors or subcontractors for cost related to services provided to Medicaid patients and billed to the Medicaid Program." (A.6.) Furthermore, B.10.a states "the Division of Medical Assistance may terminate the provider agreement if the provider fails to meet conditions for participation..." Non-compliance with the Mental Health Residential Treatment cost report requirements will result in withholding Medicaid dollars from your agency.

This year's **Mental Health Residential Treatment Cost Report** is due **January 31, 2006**. If it is not completed and received at DMA by this date, with the appropriate signatures and financial statements, DMA shall withhold **twenty percent (20%)** of future payments until the cost report is received.

Exemption:

If your agency meets any of the criteria listed below, you may request an exemption from participation by submitting the enclosed Exemption Form:

1. submitted the **Residential Treatment and Foster Care Cost Report - 2005-2006** to the DHHS, Office of the Controller.
2. was not in business for **at least 6 months**.
3. does not meet the Medicaid minimum dollar threshold of **\$230,000** per Agency Tax ID# in revenue generated from providing Medicaid Residential Treatment Services. This threshold has been established based on cumulative revenue by Federal Tax ID. For multi-facility agencies, combine the revenue for all individual facilities to determine if you meet the minimum dollar threshold.

A copy of the cost report package is available online at www.dhhs.state.nc.us/dma under Provider links, Cost Reports, Mental Health Residential Treatment Cost Report. It is provided in both *Excel* and *MS Word* format. For those providers without internet access, a paper copy is also available by notifying DMA by telephone (919) 855-4200 or fax (919) 715-2209. **All cost data reported should be based on the agency's most recently completed fiscal year.**

Please note this is a **new cost report format** with instructions provided for each line. If your agency or facility has experience completing the *Foster Care and Residential Treatment Cost Report* or the *Mental Health Cost Finding*, no additional training will be needed to complete this report. However, training is being provided through three sessions held at the Division of Medical Assistance in Raleigh for those who wish to register. A Registration Form is attached to this package for your convenience indicating available training dates. Seating is limited and spaces will be filled as forms are received. Since seating is limited, ***we ask that registration be limited to no more than two persons from any one agency or facility.*** The person attending should have responsibility for completing the 2006 Mental Health Residential Treatment Cost Report. All registration forms received will be confirmed. **Do not assume that you have a seat for a session unless you have received confirmation from DMA.** Confirmation will be sent via email when possible, otherwise by US Mail.

After completing the cost report, you may submit it electronically by sending your file to Deidra.Oates@ncmail.net or by mailing a paper or diskette submission to the address below.

N.C. Division of Medical Assistance
Attention: Deidra Oates
Financial Operations
2501 Mail Service Center
Raleigh, NC 27699-2501

For files being sent electronically, please be sure that the agency name is part of the *Excel* file name and that the agency name is included in the Subject line of the e-mail.

A hard copy of the original signatures on Schedule A is required and can be included when sending in the financial statement and supplemental reports. Also, please note that your submission will not be complete without including a copy of your financial statements.

Should you have any questions regarding the cost report, please contact Deidra Oates at (919) 855-4200. We appreciate your efforts in providing this information as it is essential to DMA's evaluation of costs for providing Mental Health Residential Treatment Services.

